

May 6, 2002

## Request for City Council Action

To: Council Member Lisa Goodman, Community Development Committee  
Council Member Barbara Johnson, Ways and Means/Budget Committee  
Refer to: MCDA Board of Commissioners

Prepared by Patrick Connoy, Phone 612-673-5193

Approved by Chuck Lutz, MCDA Interim Executive Director \_\_\_\_\_

**Subject: Public Hearing re: Adoption of Resolution Relating to Modification No. 14 to the North Washington Industrial Park and Modification No. 90 to the Common Development and Redevelopment and Common Tax Increment Finance Plan**

**Previous Directives:** The original North Washington industrial Park Redevelopment Plan was approved in 1973 and the City Council has approved 13 Modifications since that time.

**Neighborhood Group Notification:** The Near North and Hawthorne Neighborhoods have been notified of this proposed modification.

**Ward Number:** 5 and 3.

**Consistency with *Building a City That Works*:** Consistent with Goal 1: Increase the city's economic competitiveness and extend the benefits of the growing economy to all Minneapolis residents. Objective A: Provide opportunities that create more living wage jobs in the city. Strategy 1: Provide clean, buildable land parcels to meet the needs of business expansion and relocation within the city.

**Comprehensive Plan Compliance:** Complies.

**Zoning Code Compliance:** Complies with Light Industrial Zoning.

**Impact on MCDA Budget:** (Check those that apply)

- ☐ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): Sufficient funds have been appropriated in CAZ C4416 to acquire these properties.

**Living Wage / Business Subsidy:** A new industrial user would need to comply with all Living Wage and Business Subsidy requirements.

**Job Linkage:** Would apply to new industrial user of these sites.

**Affirmative Action Compliance:** Project will comply.

**CITY COUNCIL RECOMMENDATION:** The Interim Executive Director recommends adoption of the attached resolution approving Modification No. 14 to the North Washington Industrial Park Redevelopment Plan and Modification No. 90 to the Common Development and Redevelopment and Common Tax Increment Finance Plan, and forward this report to the MCDA Board of Commissioners.

**MCDA BOARD RECOMMENDATION:** The Interim Executive Director recommends adoption of the attached resolution approving Modification No. 14 to the North Washington Industrial Park Redevelopment Plan and Modification 90 to the Common Development and Redevelopment and Common Tax Increment Finance Plan.

### **Background/Supporting Information**

In 1993, the North Washington Jobs Park Steering Committee was formed to reclaim and redevelop the North Washington industrial area between Tenth Avenue North and Washington Avenue and 17<sup>th</sup> Avenue North. Since then, over ten acres of polluted land has been transformed into a thriving business community. New businesses include Ambassador Press, ASI Sign Systems, Armour Photography, DHL Worldwide Express, A&M Business Services, Rochford Supply, and now XO Communications in the former Microtron building. Besides retaining existing employees, these businesses will be creating more than 300 new jobs. The two properties being added to acquisition status would be assembled with adjacent parcels to continue this job creation activity.

### **Action**

Staff is recommending that the following parcels be designated as Property that May be Acquired:

<b><u>Address</u></b>	<b><u>PID Number</u></b>
<b>2209 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0093</b>
<b>2217 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0051</b>
<b>2229 2<sup>nd</sup> Street North</b>	<b>15-029-24-21-0041</b>

These parcels are currently vacant industrial sites comprising a total of approximately 35,000 square feet. These properties would be assembled and used to accommodate the relocated businesses or as a development site for new business.

This report was prepared by Patrick Connoy. For more information, call 612-673-5193.

**Adopting Modification No 14 to the North Washington Industrial Park  
Redevelopment Plan, and Modification No 90 to the Common Development  
and Redevelopment Plan and Common Tax Increment Finance Plan in order  
to Designate Parcels For Acquisition**

**RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:**

**Section 1.   Recitals**

- 1.1 Pursuant to Laws of Minnesota 1980, Chapter 595, as amended, and the Minneapolis Code of Ordinances, Chapter 422, as amended (the "Agency Laws") the Housing and Redevelopment Authority in and for the City of Minneapolis has been reorganized, granted additional powers, and designated the Minneapolis Community Development Agency (the "Agency") with the authority to propose and implement city development districts, redevelopment projects and tax increment financing districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179 as amended; and Laws of Minnesota 1971, Chapter 677 (the "Project Laws").
- 1.2 By Resolution duly adopted on August 31, 1973 and subsequent resolutions, the City approved the creation of the North Washington Industrial Park Redevelopment Project and the adoption of the North Washington Industrial Park Redevelopment Plan and Tax Increment Finance (TIF) Plan, as modified. The North Washington Industrial Park Redevelopment Project and TIF District are included within the Common Project Area.
- 1.3 That by Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City of Minneapolis has approved the creation by the Minneapolis Community Development Agency of the Common Development and Redevelopment Project (the "Common Project Area") and the adoption of the Common Development and Redevelopment Plan and the Common Tax Increment Financing Plan (the "Common Plans") relating thereto, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179 as amended; Laws of Minnesota 1971, Chapter 677, as amended; Laws of Minnesota 1980, Chapter 595, as amended, and Minneapolis Code of Ordinances, Chapter 422, as amended.

- 1.4 It has been proposed that the Agency modify the North Washington Industrial Park Redevelopment and TIF Plans and the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan to designate parcels for acquisition, all pursuant to and in accordance with the Project Laws.
- 1.5 The Agency has prepared, and this Council has investigated the facts with respect to a proposed Modification No 14 to the North Washington Industrial Park Redevelopment and TIF Plan, and Modification No 90 to the Common Plan (together, the "Plans"), describing more precisely the designation of parcels that may be acquired, pursuant to and in accordance with the Project Laws.
- 1.6 The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Plans, including, but not limited to, a review of the proposed Plans by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Plans to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing after published and mailed notice as required by law.

## **Section 2. Findings for the Adoption of the Plans**

- 2.1 The Council hereby finds, determines and declares that the Plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Project Area and TIF District by private enterprise as the proposed action facilitates site assembly for future development.
- 2.2 The Council further finds, determines and declares that the Plans conform to the general plan for the development or redevelopment of the City as a whole. Written comments of the Planning Commission with respect to the Plans were issued, are incorporated herein by reference, and are on file in the office of the City Clerk.
- 2.3 The Council further finds, determines and declares that the actions authorized by the Plans are all pursuant to and in accordance with the Project Laws.
- 2.4 The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Modification No 14 to the North Washington Industrial Park Redevelopment Plan and Modification No 90 to the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan.
- 2.5 The Council further finds, determines and declares that the acquisition of real property is necessary to eliminate one or more of the conditions found to exist

when the Plans were created and is necessary to carry out a redevelopment project, and the parcels being designated would be assembled with adjacent parcels to continue job creation activities currently underway in the NWIP Jobs Park.

**Section 3. Approval of the Plans**

- 3.1 Based upon the findings set forth in Section 2 hereof, the Plans presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

**Section 4. Implementation of the Plans**

- 4.1 The officers and staff of the City and the Agency, and the City's and the Agency's consultants and counsel, are authorized and directed to proceed with the implementation of the Plans, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further plans, resolutions, documents and contracts necessary for this purpose.

**Modification No. 14**  
**March 22, 2002**

**to the**

**NORTH WASHINGTON INDUSTRIAL PARK REDEVELOPMENT PLAN**  
**May 1, 1973**

Modification No. 1	July 1, 1974
Modification No. 2	March 12, 1975
Modification No. 3	August 1, 1977
Modification No. 4	November 2, 1978
Modification No. 5	June 18, 1980
Modification No. 6	July 27, 1984
Modification No. 7	November 4, 1985
Change No. 1	October 15, 1987
Modification No. 8	April 20, 1989
Modification No. 9	June 8, 1989
Modification No. 10	November 3, 1989
Modification No. 11	May 2, 1994; revised May 19, 1994
Modification No. 12	June 18, 1999
Modification No. 13	September 29, 2000
Modification No. 14	March 22, 2002

**TABLE OF CONTENTS**

Application for Redevelopment Project - No Change

Project Area Report - No Change

Redevelopment Plan – No Change

Relocation Plan - No Change

Method Proposed for Financing - No Change

**Modification No. 14**  
**March 22, 2002**

**to the**

**North Washington Industrial Park Redevelopment Plan**  
**May 1, 1973**

A. Table of Contents	
B. Description of Project	No Change
1. Boundaries of Redevelopment Area	No Change
2. Project Boundary Map	No Change
3. Objectives of the Redevelopment Plan	No Change
4. Types of Redevelopment Activities	No Change
C. Land Use Plan	No Change
1. Future Land Use Map	No Change
2. Land Use Provisions and Requirements	No Change
D. Project Proposals	No Change
1. Land Acquisition	<b>Changed</b>
2. Rehabilitation	No Change
3. Redevelopers Obligations	No Change
E. Relocation	No Change
F. Official Action to Carry Out the Redevelopment Plan	No Change
G. Procedures for Changes in Approved Redevelopment Plan	No Change
Exhibit 1      Acquisition Map	<b>Changed</b>
Exhibit 2      Method Proposed for Financing	No Change

**MODIFICATION NO. 14**  
**to the**  
**NORTH WASHINGTON INDUSTRIAL PARK REDEVELOPMENT PLAN**  
**March 22, 2002**

Modification No. 14 to the North Washington Industrial Park (NWIP) Redevelopment Plan and Tax Increment Finance Plan and Modification No. 90 to the Common Plan, have been prepared by the Minneapolis Community Development Agency (the MCDA or Agency) to designate parcels for acquisition by the Agency.

Modification No. 90 to the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan has been prepared because the North Washington Industrial Park Redevelopment and Tax Increment Finance Project Area are within the Common Project.

The plan documents have been prepared to designate property for acquisition.

In 1993, the North Washington Jobs Park Steering Committee was formed to reclaim and redevelop the North Washington industrial area between Tenth Avenue North and Washington Avenue and 17<sup>th</sup> Avenue North. Since then, over ten acres of polluted land has been transformed into a thriving business community.

New businesses include Ambassador Press, ASI Sign Systems, Armour Photography, DHL Worldwide Express, A&M Business Services, Rochford Supply, and now XO Communications in the former Microtron building.

Besides retaining existing employees, these businesses will be creating more than 400 new jobs. The three properties being added to acquisition status would be assembled with adjacent parcels to continue this job creation activity.

All three properties, located at 2209 2<sup>nd</sup> Street North, 2217 2<sup>nd</sup> Street North and 2229 2<sup>nd</sup> Street, are vacant lots.

Inclusion in the category of property that may be acquired does not represent a commitment on the part of the Agency to acquire a property; rather, the Agency is signifying that it is interested in acquiring or assisting in the acquisition of the listed property subject to limitations imposed by availability of funds, developer commitment, staging requirements, soil contamination, other financial and environmental considerations, and approval by the City Council.

Only those portions of the plan that have been modified by adding supplemental language have been identified in this document. The original and complete plan documents are available in the official files for the North Washington Industrial Park Redevelopment Project and the Common Development and Redevelopment Project, which are stored in the Project Planning & Finance Department of the Minneapolis Community Development Agency, at the Crown Mill, 105 5th Avenue South, Suite 600, Minneapolis, Minnesota, 55401-2534.



The following parcels, in the North Washington Industrial Park Redevelopment Project Area, are being designated as Property that May be Acquired:

<u>Address</u>	<u>PID Number</u>
<b>2209 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0093</b>
<b>2217 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0051</b>
<b>2229 2<sup>nd</sup> Street North</b>	<b>15-029-24-21-0041</b>

The addition of these parcels does not result in a net increase in tax increment revenue collected by the North Washington Industrial Park Tax Increment Finance District (No. 16).

**B.1 Project Acquisition Map (Changed)**

The Project Acquisition Map dated June 18, 1999, is amended by the attached Project Acquisition Map dated March 22, 2002 (See Exhibit 1).

**MODIFICATION NO. 90  
TO THE  
COMMON DEVELOPMENT AND REDEVELOPMENT PLAN  
AND COMMON TAX INCREMENT FINANCING PLAN**

**(NWIP Modification No. 14)**

**March 22, 2002**

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**Introduction**

Two plan documents have been prepared that designate parcels for acquisition located within the North Washington Industrial Park Project Area and TIF District (collectively, the "Plans"). Modification No. 14 to the North Washington Industrial Park Redevelopment Plan and TIF District authorizes the designates three parcels for acquisition. Because the North Washington Industrial Park Redevelopment Project and TIF District No. 16 are located in the Common Project, this modification to the Common Project documents is also necessary.

In 1993, the North Washington Jobs Park Steering Committee was formed to reclaim and redevelop the North Washington industrial area between Tenth Avenue North and Washington Avenue and 17<sup>th</sup> Avenue North. Since then, over ten acres of polluted land has been transformed into a thriving business community.

New businesses include Ambassador Press, ASI Sign Systems, Armour Photography, DHL Worldwide Express, A&M Business Services, Rochford Supply, and now XO Communications in the former Microtron building.

Besides retaining existing employees, these businesses will be creating more than 400 new jobs. The three properties being added to acquisition status would be assembled with adjacent parcels to continue this job creation activity.

By reference, Modification No. 90 to the Common Plan is incorporated into the Incorporated Project Documents, and in themselves are designated Incorporated Documents.

**SECTION A. COMMON DEVELOPMENT AND REDEVELOPMENT PLAN**

**Subsection A.1.** Mission Statement (No Change)

**Subsection A.2.** Definitions (No Change)

- Subsection A.3.** Description of Public Purpose (No Change)
- Subsection A.4.** Objectives of Common Project (No Change)
- Subsection A.5.** Structuring of Common Project (No Change)
- Subsection A.6.** History of Establishment and Modification of Projects and TIF Districts Included in Common Project Area **(Changed)**

Subsection A.6. is modified to include the following information:

<b>Project</b>	<b>Plan, Mod or Amendment</b>	<b>City Council Approval Date</b>	<b>Resolution Number</b>
<i>Modification No. 90 to the Common Plan</i>	<i>Modification No. 14 to the North Washington Industrial Park Redevelopment and TIF Plan</i>	<i>May 17, 2002</i>	<i>02R-_____</i>

- Subsection A.7.** Estimated Public Improvement Costs (No Change)
- Subsection A.8.** Boundaries of the Common Project Area (No Change)
- Subsection A.9.** Development Program Requirements (No Change)
- Subsection A.10.** Modifications to Common Development and Redevelopment Plan (No Change)
- Subsection A.11.** Neighborhood Revitalization Program (No Change)

## **SECTION B. COMMON TAX INCREMENT FINANCING PLAN (Changed)**

- Subsection B.1.** Summaries of Participating Tax Increment Financing Districts (No Change)
- Subsection B.2.** Boundaries of Participating Tax Increment Financing Districts (No Change)
- Subsection B.3.** Statement of Objectives and Development Program, Including Property to be Acquired **(Changed)**

The following parcels located in the North Washington Industrial Park Redevelopment Project Area, are being designated as Property that May be Acquired:

**Address**

**PID Number**

<b>2209 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0093</b>
<b>2217 2<sup>nd</sup> Street North</b>	<b>15-029-24-24-0051</b>
<b>2229 2<sup>nd</sup> Street North</b>	<b>15-029-24-21-0041</b>

All three properties located at 2209 2<sup>nd</sup> Street North, 2217 2<sup>nd</sup> Street North and 2229 2<sup>nd</sup> Street North are vacant lots. The designation of these parcels as property that may be acquired does not result in a net increase in tax increment revenue collected by the North Washington Industrial Park Tax Increment Finance District (No. 16).

- Subsection B.4.** Properties to be deleted from Participating Tax Increment Financing Districts (No Change)
- Subsection B.5.** Development Activity in the Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur (No Change)
- Subsection B.6.** Description of Financing (No Change)
- Subsection B.7.** Estimated Impact on Other Taxing Jurisdictions (No Change)
- Subsection B.8.** Modifications to Common Tax Increment Financing Plan (No Change)
- Subsection B.9.** Neighborhood Revitalization Program (No Change)
- Subsection B.10** Hazardous Substance Subdistrict Plan (No Change)